

# **A G E N D A**

## **UTAH BOARD OF WATER RESOURCES**

Crystal Inn  
1450 S. Hilton Drive  
St. George, Utah

March 11, 2004

**9:00 a.m.**

I. CALL TO ORDER

II. APPROVAL OF MINUTES - January 30, 2004

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT

Randy Julander

V. COMMITTAL OF FUNDS

County

D730 Mosby Irr. Co.

Uintah

D925 Washington Co. WCD

Washington

D968 Kanab Irr. Co.

Kane

E118 Town of Springdale

Washington

E119 South Willard Water Co.

Box Elder

VI. SPECIAL ITEMS

E060 Hooper Irr. Co. (Amendment)

Weber

E122 Holliday Water Co. (Requirement Change)

Salt Lake

E126 Pleasant Grove City

Utah

(Bond Ins.: Feas. Rep. & Comm. of Funds)

E134 Metropolitan Water Dist. of Salt Lake

Salt Lake

and Sandy (Bond Ins.: App. Sum.,

Feas. Rep., and Comm. of Funds)

VII. FLAMING GORGE WATER RIGHT REQUEST

Dennis

VIII. DIRECTOR'S REPORT

IX. OTHER ITEMS

X. NEXT BOARD MEETING - April 30, 2004 - Salt Lake City

XI. ADJOURNMENT

**BRIEFING MEETING AGENDA**

**UTAH BOARD OF WATER RESOURCES**

Crystal Inn  
1450 S. Hilton Drive  
St. George, Utah

March 11, 2004

**7:30 a.m.**

- |      |                        |                |
|------|------------------------|----------------|
| I.   | WELCOME/CHAIR'S REPORT | Chairman Riley |
| II.  | DISCUSSION OF PROJECTS | Board/Staff    |
| III. | OTHER ITEMS            |                |

# BOARD OF WATER RESOURCES

## Revolving Construction Fund

### Funding Status

March 11, 2004

Funds Available for Projects This FY	\$ 6,709,000
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#### Projects Contracted This FY

1 Marion Waterworks Co	E053	\$ 320,000
2 Lake Shore Irr Co	E106	141,000
3 Pioneer Land & Irr Co	E107	90,000
4 Bear River Canal Co	E097	656,000
5 Porcupine Highline Canal Co	E062	112,000
6 The Dammeron Corp	E115	310,000
7 Consolidated Sevier Bridge Res Co	C023 Grant **	3,625,000
8 New Escalante Irr Co (Wide Hollow Dam)	C030 Grant **	275,000
Contracts for Dam Safety Studies	**	<u>10,000</u>

Total Funds Contracted	\$ 5,539,000
Funds Balance	\$ <u>1,170,000</u>

#### Projects with Funds Committed

1 Consolidated Sevier Bridge Res Co	E124	\$ 208,000
* 2 Kanab Irr Co	D968	377,000
* 3 South Willard Water Co	E119	300,000
* 4 Mosby Irr Co	D730	2,800,000
5 Kays Creek Irr Co (Adams Dam) Amd	C001 Grant **	4,000
Commitments for Dam Safety Studies	**	<u>136,000</u>
Total Funds Committed		\$ <u>3,825,000</u>
Funds Balance		\$ <u>(2,655,000)</u>

#### Projects Authorized

1 Deseret Irr Co	E056	\$ 432,000
2 West Panguitch Irr & Res Co	E105	137,000

Total Funds Authorized	\$ 569,000
Remaining Funds Available	\$ <u>(3,224,000)</u>

\* To be presented at Board Meeting

\*\* Dam Safety Projects

**BOARD OF WATER RESOURCES**

**Cities Water Loan Fund**

**Funding Status**

**March 11, 2004**

Funds Available for Projects This FY	\$ 2,158,000
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**Bonds Closed This FY**

1	\$ -
Total Bonds Closed	\$ -
Funds Balance	\$ 2,158,000

**Projects with Funds Committed**

1 Johnson Water District	E070	\$ 396,000
2 Trenton Town	L534	1,304,000
Total Funds Committed		\$ 1,700,000
Funds Balance		\$ 458,000

**Projects Authorized**

1	\$ -
Total Funds Authorized	\$ -
Remaining Funds Available	\$ 458,000

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

## Conservation & Development Fund

### Funding Status

March 11, 2004

Funds Available for Projects This FY \$ 16,697,000

#### Projects Contracted/Bonds Closed This FY

1 Wolf Creek Water Conservancy Inc.	E089	\$ 611,000
2 Davis & Weber Counties Cnl Co (Ph 4)	E112	545,000
3 Centerville City	L544	1,142,000
4 Taylor-West Weber WID	E095	825,000
5 City of South Jordan (Bond Ins)	E114	130,000
6 Hooper Irr Co (Press Irr, Ph 1 Amend)	E060	1,402,000
7 Davis & Weber Counties Cnl Co	E123	2,735,000
8 Mountain Regional Water SSD (Bond Ins)	E117	<u>350,000</u>

Total Funds Contracted/Closed	\$ 7,740,000
Funds Balance	<u>\$ 8,957,000</u>

#### Projects with Funds Committed

1 Town of Brian Head	L541	\$ 1,700,000
2 Lake Creek Irr Co (Ph 1)	E102	22,500
3 City of Cedar Hills	E099	31,200
4 Magna Water Co an Improve Dist (Amend)	E068	360,000
5 New Santa Clara Field Canal Co	E069	1,445,000
6 Tropic & East Fork Irr Co (Ph 1)	E104	600,000
* 7 Washington County WCD (Ivins)	D925	2,000,000
* 8 Town of Springdale	E118	850,000
* 9 Hooper Irr Co (Press Irr, Ph 1 Amend)	E060	638,000
* 10 Pleasant Grove City	E126	115,000
* 11 MWD of Salt Lake & Sandy	E134	<u>500,000</u>

Total Funds Committed	\$ 8,262,000
Funds Balance	<u>\$ 695,000</u>

#### Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Center Creek Culinary Water Co	E020	450,000
3 Uintah WCD (Island Ditch)	E036	720,000
4 Ephraim Irr Co	E061	1,155,000
5 Richland Nonprofit Water Co	E087	335,000
6 Lake Creek Irr Co (Ph 2)	E102	300,000
7 Tropic & East Fork Irr Co (Ph 2)	E104	220,000
8 West Point City	L546	410,000
9 Centerfield Town	L547	255,000
10 New Escalante Irr Co	E077	300,000
11 Holliday Water Co	E122	<u>1,500,000</u>

Total Funds Authorized	\$ 8,832,000
Remaining Funds Available	<u>\$ (8,137,000)</u>

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

March 11, 2004

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
<b>Authorized or Committed Projects</b>				
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,379,000	\$ 12,211,000
2 Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
3 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
4 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	15,497,000	18,232,000
5 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D	11,857,000	13,950,000
Subtotal			\$ 68,454,000	\$ 80,006,000
<b>Projects Under Investigation</b>				
1 Keith Johnson	D996	RCF	\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067	RCF	187,500	250,000
3 Rock Dam Irr Co	E083	RCF	37,500	50,000
* 4 Leeds Water Co	E132	RCF	562,500	750,000
* 5 Mower Ditch Co	E133	RCF	135,000	180,000
* 6 Taylor Flat Irr Co	E135	RCF	15,000	20,000
7 Parowan City	E121	CWL	158,250	211,000
8 Woodruff Irrigating Co	D680	C&D	600,000	800,000
9 Kane County WCD	D828	C&D	1,500,000	2,000,000
10 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
11 Gunnison Butte Mutual Irr Co	E004	C&D	10,500,000	14,000,000
12 City of South Jordan ( Secondary Irr)	E034	C&D	2,253,000	3,004,000
13 Hyrum Blacksmith Fork Irr Co	E047	C&D	1,230,000	1,640,000
14 East Juab County WCD	E071	C&D	375,000	500,000
15 Ferron Canal & Res Co	E082	C&D	2,625,000	3,500,000
16 Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
17 Logan, Hyde Park, Smithfield Canal Co	E096	C&D	1,301,250	1,735,000
18 Newton Water Users Association	E100	C&D	1,001,250	1,335,000
19 Town of Goshen	E109	C&D	158,000	320,000
20 Weber-Box Elder Conservation Dist	E113	C&D	9,750,000	13,000,000
21 Cottonwood Creek Consolidated Irr Co	E125	C&D	3,750,000	5,000,000
22 Hi-Country Estates Homeowners Assn	E127	C&D	371,250	495,000
* 23 Alton Farmers Assoc	E128	C&D	1,650,000	2,200,000
* 24 St George & Washington Canal Co	E129	C&D	9,750,000	13,000,000
* 25 Huntington-Cleveland Irr Co	E130	C&D	12,000,000	16,000,000
* 26 Fremont Irr Co	E131	C&D	1,500,000	2,000,000
Subtotal			\$ 63,698,000	\$ 85,040,000
TOTAL			\$ 132,152,000	\$ 165,046,000

\* New Applications

## INACTIVE PROJECTS

### Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **D-730**  
Received: 2/20/90  
Approved: 3/1/90  
Authorized: 3/13/97  
Reauthorized: 1/30/04

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: **MOSBY IRRIGATION COMPANY**

President: Lance Luck  
Route 1, Box 1215  
Roosevelt, UT 84066  
Phone: (435) 353-4599

LOCATION: The proposed project is located about two miles northeast of Lapoint in Uintah County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to complete construction of Red Wash Dam, dike, and spillway, using its own forces. The dam will impound 2,175 acre-feet of water for additional late season irrigation use.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as reauthorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 2,800,000	77.8%
Uintah WCD	150,000	4.2
Central Utah WCD (Grant)	130,000	3.6
Sponsor	<u>520,000</u>	<u>14.4</u>
TOTAL	\$ 3,600,000	100.0%

PURCHASE  
AGREEMENT:

At reauthorization staff was directed to work with the sponsor in preparing a 0% interest, 60-year or less repayment schedule. If the board commits funds to the project, it is proposed it be purchased at 0% interest over 59 years with annual payments as follows:

<u>Years</u>	<u>Payment</u>
1-5	\$25,000
6-10	30,000
11-14	35,000
15-58	53,000
59	53,000±



BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **D-925**  
Received: 5/2/96  
Approved: 6/21/96  
Authorized: 10/25/96

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: ***WASHINGTON COUNTY WATER CONSERVANCY DISTRICT***

District Manager: Ron Thompson  
136 North 100 East  
St. George, UT 84770  
Phone: (435) 673-3617

LOCATION: The proposed project is located between Gunlock Reservoir and the City of Santa Clara, northwest of St. George in Washington County.

PROJECT SUMMARY: The board authorized a project to install transmission pipeline from Gunlock Reservoir to Santa Clara to provide water to Ivins Irrigation Company, New Santa Clara Field Canal Company, St. George Clara Field Canal Company, and the Paiute Shivwits Indian Reservation. It also included construction of a limited pressurized secondary irrigation system in Santa Clara.

When the board committed funds in its last meeting to New Santa Clara Field Canal Company for the secondary irrigation system mentioned, staff noted that the District would be responsible for installing the transmission pipeline to feed the system and may need to come to the board for funding. The District is requesting financial assistance for just the transmission pipeline portion of its authorized project.

A water rights agreement that settles long-standing disputes in the area was recently executed. As a

result, the transmission pipeline will deliver water from Gunlock Reservoir as well as be part of a system that will carry reuse water from the St. George City wastewater treatment facility to nearby areas, which will require a larger diameter pipe than was proposed in the authorized project. Also, over 12,000 feet of pipe was added, taking the lower end of the pipeline past Santa Clara.

Construction of the project is underway.

COST ESTIMATE  
& SHARING:

The project cost has risen due to increased size and length of the pipeline, and higher than anticipated costs to prepare an environmental assessment and settle water rights issues. The authorized (pipeline and secondary system) and proposed (pipeline only) cost estimate and sharing are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$1,390,000	27%	\$2,000,000	31.6%
Market Loan	2,435,000	48	0	0
US Fish & Wildlife	0	0	750,000	11.9
Ut. Div. Of Wildlife	0	0	750,000	11.9
St. George	0	0	1,040,000	16.5
Sponsor	<u>1,275,000</u>	<u>25</u>	<u>1,780,000</u>	<u>28.1</u>
TOTAL	\$5,100,000	100%	\$6,320,000	100%

The District is also taking responsibility for installation of a \$153,000 pipeline to connect to the Ivins Irrigation Company system.

REPAYMENT:

As part of an interest rate buydown, the board authorized repayment terms of 0% interest over 5 years with annual payments of approximately \$230,000; the board loan bought the market interest rate down to 3% and was to be repaid after the 20-year market bond was retired. If the board commits funds to the project, it is proposed the \$2 million bonded indebtedness be repaid at 3% interest over 25 years with annual payments of approximately \$121,500 (includes reserves). No market bond or interest rate buydown will be involved.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **D-968**  
Received: 7/30/97  
Approved: 8/8/97  
Authorized: 1/14/00  
Reauthorized: 12/12/03

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: **KANAB IRRIGATION COMPANY**

President: Norris Brown  
16 East 200 South  
Kanab, UT 84741  
Phone: (435) 644-2347

LOCATION: The proposed project is located north of Kanab City in Kane County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to equip a new irrigation well, add cleaning access manholes to, and clean, an existing 24-inch transmission pipeline, and install about 5,700 feet of new 10 and 30-inch transmission pipeline.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$377,000	75%
Kane County WCD	118,700	24
Sponsor	<u>4,300</u>	<u>1</u>
TOTAL	\$500,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the project will be purchased with annual payments of \$16,400 at 0% interest over approximately 23 years.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-118**  
Received: 10/9/03  
Approved: 10/31/03  
Authorized: 12/12/03

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: **TOWN OF SPRINGDALE**

Mayor: Bruce M. VanderWerff  
118 Lion Blvd.  
Springdale, UT 84767  
Phone: (435) 772-3434

LOCATION: The proposed project is located in Springdale, near the southern entrance to Zion National Park in Washington County.

PROJECT SUMMARY: Springdale is requesting financial assistance from the board to improve the town's culinary water and pressurized irrigation systems by enlarging an existing settling pond and lining it with concrete, installing pipeline to connect the pond to the town's culinary water treatment plant and an existing well to the irrigation system, rehabilitating pump stations at two well sites, and installing telemetry on both culinary and irrigation systems.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$850,000	90%
Sponsor	<u>95,000</u>	<u>10</u>
TOTAL	\$945,000	100%

REPAYMENT: If the board commits funds to the project, it is proposed the repayment terms remain as authorized: the bonded indebtedness of \$850,000 will be repaid in 18 years at 1% interest with annual payments ranging from approximately \$9,500 to \$104,000.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-119**  
Received: 10/10/03  
Approved: 10/31/03  
Authorized: 12/12/03

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: ***SOUTH WILLARD WATER COMPANY***

President: Richard E. Day  
P.O. Box 82  
Willard, UT 84340  
Phone: (435) 734-2137

LOCATION: The proposed project is located a mile south of Willard City, about nine miles south of Brigham City in Box Elder County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to improve its culinary water system by constructing a 700,000 gallon concrete storage tank.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 300,000	68%
Sponsor	<u>140,000</u>	<u>32</u>
Total	\$ 440,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the project will be purchased with annual payments of \$15,000 at 0% interest over approximately 20 years.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment

Conservation and Development Fund

Appl. No.: **E-060**

Received: 9/11/01

Approved: 11/2/01

Authorized: 1/25/02

Committed (1st Portion Phase I): 3/20/03

Committed (2nd Portion Phase I): 9/19/03

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: **HOOPER IRRIGATION COMPANY**

President: Robert W. Penman  
5375 South 5500 West  
Hooper, UT 84315  
Phone: (801) 985-8429

LOCATION: The project is located in and around Hooper City in Weber County.

PROJECT SUMMARY: The board authorized a four-phased pressurized irrigation system to serve agricultural and residential users. It is anticipated that, when the overall project is completed, about 6,000 acres of farms and 2,400 acres of residences will be under pressurized irrigation; the sponsor's remaining 4,000 acres, in the Taylor and West Weber areas, plan to remain a ditch irrigation system.

The pipeline portion (15 miles of 30 to 4-inch) of the project's first phase is complete, and the regulating reservoir and pump station portion (28 acre-feet and 640 horsepower) under construction. Together these works will serve approximately 850 homes and 900 agricultural acres.

Three factors have necessitated an additional \$750,000 be procured to continue and add to the

current work: 1) the regulating reservoir will cost more than the engineer estimated, 2) the sponsor would like to install an additional 8,000 feet of pipe now (originally planned for the next phase) while Hooper City has roads dug up for nearby sewer lines, and 3) the sponsor would like to take immediate advantage of an offer to sell it about five acres of land needed for a future regulating reservoir. The sponsor requests the board commit funds to help pay for these three items; staff recommends the funds be made available through an amendment to the current agreement.

COST ESTIMATE  
& SHARING:

The overall project, estimated to cost \$19.5 million, was authorized based on 85% cost sharing from the board and 15% from the irrigation company. The proposed cost estimate and sharing for all work up to the present time, plus the three additional items described herein, are:

<u>Agency</u>	<u>Current Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$4,079,000	\$4,717,000	85%
Sponsor	721,000	833,000	15
TOTAL	\$4,800,000	\$5,550,000	100%

PURCHASE  
AGREEMENT:

Board financial assistance for each phase is to be returned at between 3% and 5% interest, depending on the proportion of agricultural and municipal benefit and the individual project phase beneficiaries' ability to pay. The exact interest rate, repayment period, and annual payments are to be determined at the time funds are committed for each phase.

The board's current agreement with the sponsor requires the \$4,079,000 to be returned in 25 years at 3% interest with annual payments ranging from approximately \$171,000 to \$336,000; the payments parallel the state's projected average annual growth rate for Hooper of 2.86%. If the board commits an additional \$638,000 to the sponsor, staff recommends the current agreement be amended to state the board will provide 85% of the total cost of Phase I up to \$4,717,000, and that board funds will be returned in 25 years at 3% interest with annual payments ranging from approximately \$199,000 to \$382,000.

FINANCIAL  
FEASIBILITY:

Based on the board's current water service affordability guidelines, Hooper residents could pay up to \$51.36 monthly for indoor and outdoor water service. The average residential user is currently paying about \$28.60 monthly for culinary water. Agricultural users are annually paying a \$20 assessment plus \$23/acre.

Because the sponsor and its engineer expect most of Phase I's 900 agricultural acres will be developed around the time the project is purchased from the board, repayment terms are based on the municipal component of benefits and ability to pay.

Lots have historically been one acre, but newly zoned areas are allowing 1/2 and 1/4 acre lots. Staff modeled a repayment structure at the growth rate with farmlands becoming subdivisions, and 952 (850 + 102 additional lots to be served by the 8,000 feet of new pipe) homeowners initially paying about \$17.42 monthly for the project, an amount in line with other similar, recently constructed systems in Davis and Weber counties. Average total water costs should therefore be about \$46.02 monthly (\$28.60 + \$17.42).



BOARD OF WATER RESOURCES

Special Item

Requirements Change

Conservation and Development Fund

Appl. No.: **E-122**

Received: 11/21/03

Approved: 12/12/03

Authorized: 1/30/04

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: **HOLLIDAY WATER COMPANY**

President: George Grover  
1887 East 4500 South  
Holliday, UT 84117  
Phone: (801) 277-2893

LOCATION: The proposed project is located in Holladay City on the east side of the Salt Lake Valley in Salt Lake County.

SUMMARY: The board authorized \$1.5 million (42%) to the sponsor to help improve its culinary water system by constructing a three million gallon concrete storage tank, adding 2 1/2 miles of looping pipeline to the system, and installing a booster pumping station. The sponsor is working to complete requirements for committal of funds, one of which is "Adopt a rule prohibiting its residential users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m."

REQUEST: Subsequent to authorization the sponsor reconsidered the daytime irrigation prohibition. One of the main water sources, Spring Creek Spring, produces 2.5-3.0 MG/day. During the summer the sponsor uses the entire spring flow (if not used directly, it is

stored in tanks) and also pumps from wells to meet demands. It feels that allowing watering during the day will save on pumping costs, particularly during the early summer months.

The sponsor is requesting the board not require it to adopt a 10:00 a.m. to 6:00 p.m. outdoor watering rule.

STAFF  
RECOMMENDATION: Staff recommends the 10 to 6 outdoor water rule be required, even though the sponsor questions its ability to economically and realistically monitor its nearly 4,000 connections and enforce the rule.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report and Committal of Funds

Conservation and Development Fund

Appl. No.: **E-126**  
Received: 1/12/04  
Approved: 1/30/04

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: ***PLEASANT GROVE CITY***

Mayor: Jim A. Danklef  
70 South 100 East  
Pleasant Grove, UT 84062  
Phone: (801) 785-5045

LOCATION: Pleasant Grove is located about eight miles north of Provo in Utah County.

SUMMARY: The city provides culinary water to 5,686 connections, 300 of which (90% residential, 10% institutional) are connected to the first phase of a pressurized secondary irrigation system built several years ago with board assistance. The city is now preparing to install the second and third phases of its secondary system which will serve most of the remaining areas of the city including 4,150 residences, four churches, and three parks.

The \$16.735 million project will be funded by a \$5 million Central Utah Water Conservancy District grant and an \$11.735 million bond issue.

REQUEST: The city is requesting the board provide a grant of \$115,000 to purchase bond insurance. The insurance will reduce the interest rate from about 4.45% to about 4.05%, and save the city approximately \$515,000 in interest payments over the bond's 20-year repayment period.

ECONOMIC FEASIBILITY: The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Conservation and Development Fund

Appl. No.: **E-134**

Received: 2/20/04

To be Presented at the March 11, 2004 Board Meeting

SPONSOR: ***METROPOLITAN WATER DISTRICT OF SALT LAKE  
AND SANDY***

Chair: Fredrick A. Moreton, Jr.  
3430 E. Danish Road  
Sandy, UT 84093  
Phone: (801) 942-1391

LOCATION: The sponsor provides municipal water to Salt Lake City and Sandy City.

SUMMARY: The sponsor provides up to 50% of the total water supply of Salt Lake City and up to 75% of the water supply of Sandy City, and delivered approximately 60,000 acre-feet to its two member cities in the last year. The combined population of the two cities is approximately 275,000.

The sponsor is planning to begin construction of three major, multifaceted municipal water projects that will allow it to increase its capacity to treat and transport water and will provide needed redundancy for all water deliveries in the Salt Lake Valley. The projects are:

- The *Point of the Mountain Water Treatment Plant* (POMWTP) and Aqueduct unit will be designed to convey water from the Provo Reservoir Canal or the Jordan Aqueduct (JA) to the POMWTP, from the POMWTP to the Little Cottonwood Water Treatment Plant (LCWTP) and Aqueduct, and to a number of delivery points between these locations. The system will operate both south

to north from the POMWTP, and north to south from the LCWTP. The capacity of the system is expected to grow over the next 25 years from 70 mgd initially to an ultimate capacity of 151 mgd.

- The *15000 South Pipeline* unit will provide a connection between the JA, of which the sponsor has 2/7ths capacity, to the Point of the Mountain Aqueduct. This connection will allow water to flow east or west from each aqueduct. The projects include the recently completed 15000 South Pipeline, the 15000 South Pump Station, and the 15000 South Pipeline Extension to the POMWTP.

- The *Little Cottonwood Water Treatment Plant Expansion* unit (LCWTP) will modify the headworks of the LCWTP to expand the capacity from 113 mgd to 150 mgd. Improvements include a new diversion from Little Cottonwood Creek, grit basin, screening facilities, ozone facilities to provide for disinfection and taste and odor control, new flash mix, and various hydraulic improvements.

The sponsor will finance the work with two, \$90 million bonds. It will sell the first bond in March, 2004, and the second early next year.

REQUEST:

The sponsor is requesting the board provide a grant of \$500,000 to buy bond insurance for the March, 2004 bond. The insurance will reduce the interest rate about 0.2% and save the sponsor approximately \$2.5 million in interest payments over the bond's 30-year repayment period. The effective interest rate is estimated to be 4%.

ECONOMIC  
FEASIBILITY:

The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-128***

Received: 1/22/04

SPONSOR: ***ALTON FARMERS ASSOCIATION***

President: Raymond Heaton  
Alton, UT 84710  
Phone: (435) 648-2124

LOCATION: The proposed project is located near Alton Town,  
about 28 miles north of Kanab in Kane County.

PROPOSED PROJECT: The sponsor is requesting assistance to construct a  
dam to impound 650 acre-feet of water from Kanab  
Creek for irrigation use.

WATER RIGHTS: 85-606 (a13588, a23497) for 11.78 cfs (6,963.1 acre-  
feet) from Kanab Creek.

COST ESTIMATE: \$2,200,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-129**

Received: 1/22/04

SPONSOR: **ST. GEORGE & WASHINGTON CANAL COMPANY**

President: Ralph Staheli  
136 North 100 East  
St. George, UT 84770  
Phone: (435) 673-3617

LOCATION: The proposed project is located east and south of St. George and Washington cities in Washington County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace its ditch irrigation system with a pressurized pipeline system.

WATER RIGHTS: The sponsor has numerous well and Virgin River rights.

COST ESTIMATE: \$13,000,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-130***

Received: 1/26/04

SPONSOR: ***HUNTINGTON-CLEVELAND IRRIGATION COMPANY***

President: Dennis Ward  
1355 East Tin Can Alley  
Huntington, UT 84528  
Phone: (435) 687-2864

LOCATION: The proposed project is located in the Huntington, Cleveland, and Elmo areas of Emery County.

PROPOSED PROJECT: The sponsor is requesting assistance to construct a pressurized agricultural irrigation system over about 20,000 acres. The project will include a 3,500 acre-foot storage and regulating reservoir.

WATER RIGHTS: The sponsor has numerous surface and underground rights.

COST ESTIMATE: \$16,000,000



BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-131***

Received: 1/30/04

SPONSOR: ***FREMONT IRRIGATION COMPANY***

President: Dean Chappell  
Box 1392  
118 South 100 West  
Lyman, Utah 84749  
Phone: (435) 836-2864

LOCATION: The proposed project is located about four miles  
northeast of the community of Fremont in Wayne  
County.

PROPOSED PROJECT: The sponsor is requesting assistance to investigate  
the feasibility of increasing the capacity of Mill  
Meadow Reservoir (currently about 5,200 acre-feet) by  
raising the dam and spillway 4-5 feet.

WATER RIGHTS: 95-321, 362, 363, 4012, 4013

COST ESTIMATE: \$2,000,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-132***

Received: 2/4/04

SPONSOR: ***LEEDS WATER COMPANY***

President: Ned Sullivan  
P.O. Box 460970  
Leeds, UT 84746  
Phone: (435) 879-2589

LOCATION: The proposed project is located in and around the town of Leeds, about 15 miles northeast of St. George in Washington County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace its ditch irrigation system serving about 250 acres (180 of farms, 70 of lawns and gardens) with a pressurized pipeline system.

WATER RIGHTS: 81-3299, 3764 (in the name of the board)

COST ESTIMATE: \$750,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-133***

Received: 2/13/04

SPONSOR: ***MOWER DITCH COMPANY***

President: Gary M. Rigby  
2147 West 550 North  
Kaysville, UT 84037  
Phone: (801) 544-9450

LOCATION: The proposed project is located about three miles  
north of Fairview in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace about  
a mile of irrigation ditch with PVC pipeline.

WATER RIGHTS: • 65-3032: 5.0 cfs  
• 65-3033: 1.0 cfs

COST ESTIMATE: \$180,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-135**

Received: 2/25/04

SPONSOR: **TAYLOR FLAT IRRIGATION COMPANY**

President: Robert D. Nielson  
P.O. Box 40214  
Lynndyl, UT 84640  
Phone: (435) 857-2512

LOCATION: The proposed project is located three miles south of Lynndyl Town, which is about 16 miles northeast of Delta in Millard County.

PROPOSED PROJECT: The sponsor is requesting assistance to rehabilitate an irrigation well pump by replacing the bowls, lengthening the column, installing a new air line to measure water level, and repairing electrical wiring in the pump's motor.

WATER RIGHTS: Well rights 63-442 (6 cfs) and 68-1842 (2 cfs).

COST ESTIMATE: \$20,000

STAFF COMMENT: It will be determined during staff investigation if this proposal is routine/regularly occurring system operation and maintenance.

*Unapproved*  
MINUTES

BOARD OF WATER RESOURCES  
BRIEFING MEETING

January 30, 2004

Division of Water Resources  
Room 314  
1594 West North Temple  
Salt Lake City, Utah

## BOARD OF WATER RESOURCES

Briefing Meeting  
January 30, 2004

The Board of Water Resources held a briefing meeting on January 30, 2004, at 9:00 a.m. at the Division of Water Resources, Room 314, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

### BOARD MEMBERS

Paul Riley  
Harold Shirley  
Brad Hancock  
George Harmond, Jr.  
Paul McPherson  
Bill Marcovecchio  
Ivan Flint  
Warren Peterson

### STAFF MEMBERS

Larry Anderson - Director  
Dennis Strong – Deputy Director  
Eric Millis – Assistant Director  
Steve Wilde – Chief, Investigations  
Nancy Fullmer – Administrative Secretary  
Todd Adams – Chief, Hydrology and Computer Applications  
Shalaine DeBernardi – Engineer  
Tom Cox – Engineer  
Val Anderson – Engineer  
Bill Leeftang – Chief Engineer

### VISITORS

Sherm Hoskins, Asst. Director, Department of Natural Resources  
Dean Anderson, Consolidated Sevier Bridge Reservoir Co.  
Clyde Bunker, Consolidated Sevier Bridge Reservoir Co.

Chair Riley called the briefing meeting to order and welcomed everyone. He talked about the excellent AWRA Conference he attended on January 20 where Warren Peterson participated in a panel discussion with Jerry Olds and Clyde Bunker on water management in times of drought.

Steve Wilde introduced Shalaine DeBernardi as the new Contracts and Bond Officer for the Division. She is replacing Boyd Phillips, who recently retired. Ms. DeBernardi said she has worked for the Division for about 12 years as a design engineer and more recently in the dam safety program. The Board members congratulated her on her promotion.

Dennis Strong said the Board members would be invited to the dedication celebration for the Diamond Fork project in July. He also said bids on the Big Sand Wash project came in under the engineer's estimate.

Mr. Strong handed out copies of the "Water for Utah" booklets that will be given to the legislators at the budget hearing next week. He reviewed the booklet and talked about the status of funds. Bill Marcovecchio talked about an article he read in the "Enterprise Newspaper" that was written by Senator Howard Stephenson regarding the Board's funding programs. He requested a copy of the booklet to give to Senator Stephenson.

The Board members discussed how the 1/16% sales tax monies have been divided and used. Ivan Flint said he wanted to give copies of the information to staff in the Governor's office. Warren Peterson suggested including a copy of the table that was prepared for the task force report he worked on.

Director Anderson invited the Board members to attend the budget hearing on February 4 at the State Capitol Building. He said in the past some of the Board members have attended the hearing and the Board chair has been invited to say a few words and introduce the Board members.

The Board members discussed the arrangements for the Water Users Workshop in St. George in March. They were asked to contact Nancy regarding their reservations.

## DISCUSSION OF PROJECTS

Steve Wilde said Tom Cox was invited to the Briefing meeting to answer questions about the project for the New Escalante Irrigation Company. The Board members expressed concern about the benefit-cost ratio. Director Anderson said the company is trying to obtain a grant from the federal government; the Board members need to decide if they support the project, and make the approval contingent on receiving federal funds. Mr. Cox talked about the environmental assessment and the protests filed by the environmentalists. Dennis Strong discussed the existing Wide Hollow Dam that needs to be repaired or replaced, and said the sponsor has already received some funding from the Dam Safety Program that would need to be returned if construction on the replacement dam has not started within five years.

Val Anderson explained the request from the Mosby Irrigation Company. He said the Board would need to reauthorize the project since it has changed from the original project that was authorized. The Board members expressed concerns about the benefit-cost ratio and the sponsor doing the construction work rather than hiring a contractor. Director Anderson explained the sponsor rejected the previous bids because they were too high. He also said the sponsor would be required to resubmit plans and specifications and provide adequate inspection by an inspector hired by the engineer. Mr. Anderson explained the sponsor feels the project can be constructed for less than the engineer's estimate and requested a repayment of \$47,000 for 60 years. Staff suggested the payments should start out low but increase in the later years after a previous loan is paid off.

Steve Wilde explained the request for funds from the Holliday Water Company to build a three million gallon water storage tank. He said staff recommended the minimum repayment terms of 10 years at 5% interest because of the median income and number of connections involved. Mr. Strong said the sponsor cannot go to the bond market since it is not a district or city.

Tom Cox described the request from the New Santa Clara Field Canal Company for committal of funds and explained the changes since the project was authorized. The company wants to proceed with construction on the secondary irrigation system. The Washington County Water Conservancy District will install the transmission pipeline and will ask for funding from the Board under a separate application. Staff recommends the increased amount be returned at 3.5% interest in the same amount of time as authorized with higher annual payments.

Harold Shirley explained the two-phased project for Tropic & East Fork Irrigation Company; the sponsor is ready to proceed with Phase I with funding from the Board. The grant from the Upper Sevier River Water Conservancy District is earmarked for Phase II only.

Steve Wilde said the project for Dammeron Valley Water Works changed slightly since authorization but the proposed cost estimate and cost sharing remain the same as authorized. Harold Shirley said the sponsor would not be attending the Board meeting.

Mr. Wilde said the request for funds from the Consolidated Sevier Bridge Reservoir Company was listed under Special Items because the application came in after the December Board meeting and the sponsor is requesting authorization and committal of funds. Mr. Strong said the project is an extension or continuation of the recently completed dam safety project. Paul McPherson explained the proposed project is currently under construction. Director Anderson said the sponsor would show a power-point presentation of the repairs to Sevier Bridge Reservoir and the current construction work during the Board's lunch break.

Harold Shirley said the Enterprise Reservoir and Canal Company called him then sent a letter requesting the Board postpone its payments for one year on two separate projects and forgive the 3% interest for one year on the sprinkler irrigation project. He said the sponsor would have a difficult time making its March payments due to the severe drought and the extremely low water supply and crop production last year. Director Anderson said staff



recommends the Board authorize an amendment to its agreement with the sponsor which would postpone the 2004 payments for one year and make all currently scheduled principal and interest payments due one year later than presently required. No interest would accrue from March 1, 2004 through February 28, 2005.

Steve Wilde mentioned the three new applications that were received since the previous Board meeting. Bill Marcovecchio talked about a phone call he received from Rod Dansie saying he wants to reapply to the Board but the project has not changed. Dennis Strong said he or Steve Wilde could accompany Mr. Marcovecchio to meet with him.

## LEGISLATIVE REPORT

Eric Millis handed out a booklet containing a list of the legislators on the committees associated with the Department of Natural Resources. He also handed out a memo he prepared on the bills relating to water in this year's legislative session. He explained two of the bills that would directly affect the Board and Division – HB 71 (Water Conservation Plans) and HB 104 (Filing and Perfecting of Water Rights). He also reviewed some of the other water bills of interest.

After a short discussion of the bills, the Board members thanked Mr. Millis for his good report. Director Anderson told the Board members to contact Mr. Millis if they wanted an update or had questions about any of the legislation.

Director Anderson encouraged the Board members to read the article by the High County News that he included in the Board folder.

The briefing meeting adjourned at 11:30 a.m. During lunch the Board members watched a power point presentation of the repair of the Sevier Bridge Dam and Reservoir given by Dean Anderson and Clyde Bunker from the Consolidated Sevier Bridge Reservoir Company.

*Unapproved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
January 30, 2004

Auditorium  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the December 12, 2003 meetings were approved as prepared. page 1
2. The Board authorized the New Escalante Irrigation Company project in the amount of \$300,000 (3%) at 1% interest to be returned over no more than 50 years with final payment terms to be determined at committal of funds. The dam safety grant funds of \$3.78 million (41%) to upgrade the Wide Hollow Dam can be used toward the construction of the new dam. page 3
3. The Holliday Water Company project was authorized in the amount of \$1.5 million (42%) to be purchased in 10 years at 5% interest with annual payments ranging from approximately \$177,000 to \$254,000. The company's attorney is to provide an opinion regarding the company only using about half of its allocated water right. page 3
4. Funds were committed to the New Santa Clara Field Canal Co. in the amount of \$1.445 million (85%) to be returned in approximately 25 years at 3.5% interest with annual payments of \$87,700. page 4
5. The Board committed funds to the Tropic and East Fork Irrigation Co. (Phase I) in the amount of \$600,000 (92%) to be returned at 1.5% interest over approximately 25 years with annual payments of \$29,000. page 4
6. Funds were committed to the Dammeron Valley Water Works (The Dammeron Corporation) in the amount of \$310,000 (80%) to be returned in 10 years at 0% interest with annual payments starting at \$19,000 and increasing to about \$51,000. page 5
7. The Mosby Irrigation Company project was reauthorized and funds were committed in the amount of \$2.8 million (77.8%) to be purchased with annual payments of \$47,000 at 0% interest over approximately 60 years. page 6
8. The Board authorized and committed funds to the Consolidated Sevier Bridge Reservoir Co. in the amount of \$208,000 (90%) to be purchased with annual payments of \$21,000 at 0% interest over approximately 10 years. page 7
9. The contracts of #K203 and #N236 for Enterprise Reservoir and Canal Co. were amended and the March 1, 2004 payments were postponed until March 1, 2005 and #N236 no interest will accrue from March 1, 2004 through February 28, 2005. page 7

## THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, January 30, 2004 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Riley presided over the 1:00 p.m. meeting.

### BOARD MEMBERS PRESENT:

Paul Riley  
Harold Shirley  
Bill Marcovecchio  
George Harmond, Jr.  
Ivan Flint  
Paul McPherson  
Brad Hancock  
Warren Peterson

### STAFF MEMBERS PRESENT:

D. Larry Anderson, Director  
Dennis Strong, Deputy Director  
Eric Millis, Asst. Director  
Nancy Fullmer, Administrative Secretary  
Randy Staker, Accountant  
Steve Wilde, Chief, Investigations  
Bill Leeftang, Chief Engineer  
Todd Adams, Chief, Hydrology and Computer Applications  
Val Anderson, Sr. Engineer  
Tom Cox, Sr. Engineer  
Gina Hirst, Engineer  
Ann Merrill, Engineer  
Marisa Egbert, Engineer

### OTHERS PRESENT:

Sherm Hoskins, Asst. Director, Department of Natural Resources  
Jerry Olds, State Engineer  
Dave Marble, Geotechnical Engineer, Division of Water Rights  
Brad Nelson, Engineer, Weber Basin Water Conservancy District  
Jack Barnett, Engineering Manager, Bear River Commission

OTHERS PRESENT CONT'D:

Bartt Carter, President, New Escalante Irrigation Company  
Kim Keefe, Secretary, New Escalante Irrigation Co.  
Curtis Koyle, Board member, New Escalante Irrigation Co.  
Wayne Coleman, Board member, New Escalante Irrigation Co.  
Gary Harding, Board member, New Escalante Irrigation Co.  
Richard Noble, Principal, Franson Noble Engineering  
Paul Wright, Area Manager, Franson Noble Engineering  
Bruce Richeson, Special Asst. Senator Robert Bennett's office

George Grover, President, Holliday Water Co.  
Marlin Sundberg, Manager, Holliday Water Co.  
Tom Austin, Sunrise Engineering  
Bob Davis, Sunrise Engineering

Jim Ence, President, New Santa Clara Field Canal Co.

Lance Luck, President, Mosby Irrigation Co.  
David L. Murray, Director, Mosby Irrigation Co.  
Brian O. Murray, Shareholder, Mosby Irrigation Co.  
Martin Huber, Director/Secretary, Mosby Irrigation Co.  
Elmer Ekins, Shareholder, Mosby Irrigation Co.

Clyde Bunker, President, Consolidated Sevier Bridge Reservoir Co.  
Dean S. Anderson, Secretary, Consolidated Sevier Bridge Reservoir Co.

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
January 30, 2004

Chair Riley welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Bill Marcovecchio made the motion, seconded by Brad Hancock to approve the minutes of the December 12, 2003 meetings as prepared. The Board agreed unanimously.

WATER SUPPLY REPORT

Randy Julander said there is finally good news. The entire state with the exception of the Escalante and the Virgin River has close to average snowpack. On January 1 the Bear River Basin was almost 120% of average, and on January 30 it is about 90% because of the lack of snowfall during the month of January. If it keeps going the same way, the Bear River Basin will end up somewhere around 67% of average.

Soil moisture status is virtually the same as last year. A significant portion of snowpack has gone to replenish the soil moisture. Reservoir storage is down another 400,000 acre-feet from last year and reservoirs will take a long period of time to fill.

Ivan Flint asked how many years it would take at above normal precipitation to get the state back to normal. Mr. Julander said for most parts of the state two really good years would help us feel comfortable with the exception of the Bear River Basin where it could take as long as five years.

FEASIBILITY REPORTS

#E077 New Escalante Irrigation Co.

Chair Riley welcomed Bartt Carter, president; Bruce Richeson, Special Asst. to Senator Bennett's Office; Kim Keefe, secretary; Gary Harding, Wayne Coleman, and Curtis Koyle, board members; Richard Noble and Paul Wright of Franson Noble Engineering.

Tom Cox reported the company provides irrigation water to an average of about 2700 acres of agricultural land and lawn and garden areas in and around Escalante. Water is diverted from the Escalante River for direct use in a pressurized irrigation system or stored in the Wide Hollow Reservoir for future use. When the pressurized irrigation system was installed in the early 1980s, a new dam and reservoir north of Wide Hollow was proposed as Phase II of the

project; company shareholders decided to construct a booster pumping station to provide pressure instead of the dam due to cost factors.

The Wide Hollow Dam was completed in 1954 and originally impounded nearly 2,400 acre-feet; siltation has since reduced storable water volume to about half that. The reservoir fills and spills every year and water users experience water shortages most years.

The Wide Hollow spillway will not pass the State Engineer's required design flood, and sand layers in the dam's foundation are susceptible to liquefaction during an earthquake. Major upgrades are required for the company to continue using the dam.

The company is requesting financial assistance to construct a new dam to replace the existing Wide Hollow Dam. The proposed project includes diversion/desilting structures on North and Birch Creeks, about six miles of PVC transmission pipelines from the diversions to the new reservoir and from the reservoir to the existing irrigation system, and a 120 foot-high, 900 foot-long earthfill dam with the capacity to impound 4,500 acre-feet. Technical assistance is being provided by Franson Noble Engineering of American Fork. The company would also like to make modifications to the existing Wide Hollow Dam to allow it to be operated at a much lower capacity if approved by the State Engineer.

The project is estimated to cost \$9.250 million. The company, by working through Senator Bennett's office, is seeking a federal grant in the amount of \$5 million. The company does not know, however, when those funds will be made available. It is also proposed the dam safety grant (\$3.78 million) from the Board be used toward construction of the new dam. The company is also considering a conservation pool for a cold-water fishery. If a conservation pool becomes part of the project, the amount of board financial assistance will be reduced by the amount of Division of Wildlife Resources' compensation.

The Board provided \$2 million to the company in 1981 for construction of the pressurized irrigation system; that assistance is scheduled to be paid off in 2021. The company has the right to divert 40 cfs from the Escalante River up to 9,472 acre-feet annually. The rights are currently in the name of the Board for the pressurized irrigation project. A change application was filed in 1999 to add diversion points on North and Birch Creeks, as well as a re-diversion point at the outlet of the proposed dam. No protests were filed, but the State Engineer is withholding his ruling pending decisions on the Environmental Assessment and BLM easements involved in the project.

Bruce Richeson, special assistant to Senator Bennett said Senator Bennett has committed to do everything he can to help obtain grant funds for the New Escalante Irrigation Co. He said Congress looks favorably on requests that show a great deal of participation on the part of the state and the irrigation company. He said this request will be part of the 2005 budget and funds won't be available until October 1, 2004.

Jerry Olds said the irrigation company has a lot of regulatory issues to overcome and many of those are from the State Engineer's office in regards to dam safety. He said his office



had been working with the company and feels it is proposing some reasonable solutions that will address the dam safety issues.

Director Anderson asked Mr. Carter if the local community was in favor of the project. Mr. Carter said there seems to be over 90% support for the project. After considerable discussion, Harold Shirley made the motion to authorize the New Escalante Irrigation Company project as presented in the amount of \$300,000 (3%) at 1% interest to be returned over no more than 50 years with final repayment terms to be determined at committal of funds; this is subject to availability of funds. The dam safety grant funds of \$3.78 million (41%) to upgrade the Wide Hollow Dam can be used toward the construction of the new dam. Warren Peterson seconded the motion and it was unanimously agreed upon by the Board.

#### #E122 Holliday Water Company

Chair Riley introduced George Grover, president; Marlin Sundberg, manager; Bob Davis, and Tom Austin of Sunrise Engineering. Gina Hirst reported the company currently serves approximately 15,000 people in Holladay City by supplying culinary water for indoor and outdoor use. Water comes from Spring Creek, wells and a connection to a pipeline of Salt Lake City's. Water is stored in a one million steel storage tank, a four million gallon concrete tank and 1.2 million gallons are stored in various tanks owned by Salt Lake City. More storage is needed for indoor, outdoor, fire protection, and emergency needs.

The Holliday Water Company is requesting financial assistance to construct a three million gallon concrete storage tank under an Olympus High School athletic practice field, install a drainage pipe from the tank to a canal, add about 2 ½ miles of looping pipeline to the system, and install a booster pumping station. The project is estimated to cost \$3.57 million. Technical assistance is being provided by Sunrise Engineering in Draper.

Based on the Board's water service affordability guidelines, Holliday Water Co. users could pay up to \$40.94 monthly for water. The cost of water with the proposed project in place would be \$20.51. The average monthly water bill is about \$32.00. Although the cost/connection/month is well below the Board's guideline, the company will likely be making additional improvements to the water system before the proposed Board assistance is returned.

Mr. Davis of Sunrise Engineering said Holliday Water Company has been very frugal with their funds and is proposing to fund the major portion of this project. Warren Peterson expressed his concern regarding the company being a private water company. He also expressed a concern about the company only using half of its allocated water right and recommended their attorney offer an opinion about it.

Bill Marcovecchio made the motion to authorize the Holliday Water Company project as presented in the amount of \$1.5 million (42%) to be purchased in 10 years at 5% interest with annual payments ranging from approximately \$177,000 to \$254,000. The company's attorney is to provide an opinion regarding the company only using about half of its allocated water right. Ivan Flint seconded the motion. The Board agreed unanimously.

## COMMITTAL OF FUNDS

### #E069 New Santa Clara Field Canal Co.

Chair Riley introduced Jim Ence, president. Tom Cox reported the Board authorized a project to install a limited secondary irrigation system in and around Santa Clara to serve agricultural land and residences of company shareholders. The project also included a transmission pipeline from Ivins Reservoir to Santa Clara.

Washington County Water Conservancy District (WCWCD) is taking responsibility for installing the transmission pipeline and will be before the Board (probably in March) for funding under a separate application; it intends to proceed with construction in the next couple of weeks. Bids have been opened for both the transmission pipeline and secondary irrigation system projects.

Changes during project design increased pipe footage by over a mile. The cost estimate for just the secondary system is \$1.7 million of which it is requested the Board provide 85%. Mr. Ence said the project was authorized two years ago, however the secondary system has been extended and there's been an increase in the cost of materials causing the project cost to increase.

Harold Shirley made the motion, seconded by Paul McPherson to commit funds to the New Santa Clara Field Canal Co. in the amount of \$1.445 million (85%) to be returned in approximately 25 years at 3.5% interest with annual payments of \$87,700. The Board agreed unanimously.

### #E104 Tropic and East Fork Irrigation Co.

Tom Cox reported the Board authorized a two-phase project for the Tropic & East Fork Irrigation Company to replace the seven mile-long Tropic & East Fork Canal with 30 inch PVC pipe. The company is ready to proceed with Phase I, which includes just over two miles of pipeline beginning just below the canal diversion on the East Fork of the Sevier River.

Warren Peterson said the Upper Sevier River Water Conservancy District would be participating in the cost of Phase II. He asked what the source of the funding was. Tom Cox said it would be coming through the Central Utah Water Conservancy District as a 206 grant.

Harold Shirley made the motion to commit \$600,000 (92%) for Phase I of the Tropic and East Fork Irrigation Co. project to be returned at 1.5% interest over approximately 25 years with annual payments of \$29,000. George Harmond, Jr. seconded the motion and it was agreed upon by the Board. Warren Peterson opposed.

### #E115 Dammeron Valley Water Works (The Dammeron Corporation)

The sponsor is requesting financial assistance to improve its culinary water system by drilling and equipping a well, and constructing a concrete storage tank.

Harold Shirley made the motion to commit funds in the amount of \$310,000 (80%) to the Dammeron Valley Water Works over a 10-year period at 0% interest with annual payments starting at \$19,000 and increasing to about \$51,000. Brad Hancock seconded the motion.

Discussion occurred regarding the fact the Dammeron Corporation was a for-profit company owned by a developer. Director Anderson reminded the Board the project had previously been authorized and funds needed to be committed as authorized since the project had not changed.

Chair Riley called for a vote and the motion passed with Warren Peterson, Bill Marcovecchio and Paul McPherson opposing.

### SPECIAL ITEMS

#### #D730 Mosby Irrigation Company

Chair Riley introduced Lance Luck, president; Martin Huber, Secretary; David I. Murray, director; and Brian O. Murray, and Elmer Ekins, shareholders.

Val Anderson reported the proposed project is located about two miles northeast of Lapoint in Uintah County. In March of 1997 the Board of Water Resources authorized a dam estimated to cost \$2.85 million. After authorization plans and specifications were completed and the project was bid out in March of 1998. The project was bid again in April, 1999, with the low bid coming in very near the first low bid. Adding engineering and other costs, both of which had risen, the total cost was \$4.29 million. Both times the bids were rejected as the company felt the bids were too high.

The company has since completed construction of the diversion structure on Deep Creek, the feeder canal, excavation of the spillway, and a large portion of the excavation needed to construct the dam and dike.

The company is requesting financial assistance to complete construction of Red Wash Dam and spillway using its own forces. The Asst. Attorney General for Natural Resources has concurred with the opinion of the company's attorney that, since the bids were rejected twice, the company has met the requirements of the Utah Code which requires, that before an organization like the company can build a dam to impound more than 100 acre-feet itself, it must be competitively bid twice.

The company has hired Engineering Services of Vernal to update the plans and specifications (originally prepared by CH2MHill in Salt Lake City) and obtain construction approval from the State Engineer.

The company has received financial assistance from the Board for three previous projects; two have been repaid. The third will be repaid in 2019. The project is estimated to cost \$3.6 million.

The State Engineer is requiring the company to hire a registered professional engineer with 10 years of dam related experience because they want to construct it themselves. Division staff concurs in this recommendation.

Mr. Luck expressed appreciation to the Board for considering their project. Mr. Dave Murray said it is Colorado River water that needs to be developed. He apologized for not returning after the first authorization for such a long time, however, the canal needed to be repaired before they could come back to this project.

Brad Hancock asked what the company was going to do regarding having a qualified inspector on the dam. Mr. Murray said he knew of three people with considerable experience that would be considered as an inspector. Mr. Flint asked if the company would hire the inspector. Mr. Murray said the engineering firm will hire him. Mr. Murray also said the irrigation company has an experienced contractor who will run the project like a construction company. Director Anderson encouraged the irrigation company to have Engineering Services hire the inspector that will meet the requirements of both the State Engineer's office and the division's office.

After discussion regarding the low benefit-cost-ratio, Brad Hancock made the motion to reauthorize the Mosby Irrigation Company project and commit funds in the amount of \$2.8 million (77.8%) to be purchased with annual payments of \$47,000 at 0% interest over approximately 60 years. Bill Marcovecchio seconded the project, and the Board agreed unanimously.

#### #D955 North Canyon Irrigation Co.

The Board authorized \$315,000 to help improve the company's irrigation system serving 1,300 acres. Subsequent to authorization, the company received a grant from the Farm Service Agency for 75% of the pipeline cost and no longer needs board assistance.

#### #E120 Laketown Irrigation Co.

The company requested assistance to install control panels on two existing pumps in a pressurized irrigation system. It has since decided to fund the relatively small project with a bank loan.

Paul McPherson made the motion to withdraw the North Canyon Irrigation Co. and Laketown Irrigation Co. projects from further consideration by the Board. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#E124 Consolidated Sevier Bridge Reservoir Co.

Chair Riley introduced Clyde Bunker and Dean Anderson. Bill Leeftang reported the Sevier Bridge Dam was built in 1904 and dam safety improvements, including installation of an outlet works upstream guard gate and construction of a stability berm, were completed last fall with help from a 95% grant provided by the Board.

The 700-foot outlet conduit has two sets of guard gates that do not function well; they leak and are hard to operate. In addition, 150 feet of tunnel floor has been severely eroded up to four feet through the concrete floor to bedrock; this is due to flood releases in the 1980s. The State Engineer requires the floor be repaired.

The company is requesting financial assistance to repair the tunnel floor, demolish two sets of control gates and their housings, and construct one new gate structure with an 8' by 8' gate and a 2' by 8' gate and controls. Technical assistance is being provided by Bowen, Collins & Associates in Draper.

Warren Peterson declared a conflict of interest. After discussion, Paul McPherson made the motion to authorize and commit funds for the Consolidated Sevier Bridge Reservoir Co. in the amount of \$208,000 (90%) to be purchased with annual payments of \$21,000 at 0% interest over approximately 10 years. George Harmond, Jr. seconded the motion and the Board agreed unanimously. Warren Peterson abstained from voting.

#K203 Enterprise Reservoir & Canal Co.

#N236 Enterprise Reservoir & Canal Co.

Steve Wilde reported the Enterprise Reservoir and Canal Co. has an agreement (K203) with the Board to purchase a 1980 project to repair and enlarge Enterprise Dam. The next 0% payment for about \$12,900 is due March 1, 2004. The company also has an agreement (N236) with the Board to purchase a 1980's gravity sprinkle irrigation system project. The next 3% interest payment of about \$104,200 is due March 1, 2004.

The canal company has sent two letters stating the stockholders are suffering continued financial stress as a result of the extended five-year drought in Southwestern Utah, and request the Board postpone the March 1, 2004 payments one year. The company also requests the 3% interest on the pressurized sprinkler irrigation project not accrue between March 1, 2004 through February 28, 2005.

Harold Shirley made the motion to amend the contracts of #K203 and #N236 for Enterprise Reservoir and Canal Company to postpone the March 1, 2004 payments until March

1, 2005 and that on #N236 no interest will accrue from March 1, 2004 through February 28, 2005. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

#### DIRECTOR'S REPORT

Director Anderson said he didn't have any information for the Director's Report as he had been out of the office from December 15, 2003 through January 18, 2004. He told the Board of his cruise through the Panama Canal.

#### NEXT MEETING

The next Board meeting will be held March 11, 2004 in St. George, Utah in conjunction with the Utah Water Users Workshop.

Meeting adjourned at 3:15 p.m.

*Approved*  
MINUTES  
BOARD OF WATER RESOURCES MEETING  
December 12, 2003

Auditorium  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the October 31, 2003 Board meetings were approved with suggested changes. page 1
2. The Board authorized the Dammeron Valley Water Works project in the amount of \$310,000 (80%) at 0% interest to be repaid in ten years with escalating repayments starting at \$19,000. page 2
3. The Town of Springdale project was authorized at \$850,000 (90%) to be repaid in 18 years at 1% interest with escalated repayments. page 3
4. The Board authorized the South Willard Water Co. project in the amount of \$300,000 (75%) to be repaid in approximately 20 years at 0% interest with an annual payment of \$15,000. page 3
5. Funds were committed to the Davis & Weber Counties Canal Co. in the amount of \$2.735 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately \$150,600. page 4
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7. The Board authorized the Kanab Irrigation Company project in the amount of \$377,000 (75%) to be returned at 0% interest over approximately 23 years with annual payments of \$16,400. page 5
8. The New Escalante Irrigation Company contract was amended and the \$23,448 interest portion of its March 1, 2004 payment was forgiven. page 6
9. The Board released 1000 acre-feet of water to the Draper Irrigation Company. page 6

## THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, December 12, 2003 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Riley presided over the 10:00 a.m. meeting.

### BOARD MEMBERS PRESENT:

Paul Riley  
Harold Shirley  
Bill Marcovecchio  
Brad Hancock  
George M. Harmond, Jr.  
Paul McPherson  
Warren Peterson  
Ivan Flint – absent

### STAFF MEMBERS PRESENT:

D. Larry Anderson, Director  
Dennis Strong, Deputy Director  
Eric Millis, Asst. Director  
Nancy Fullmer, Administrative Secretary  
Randy Staker, Accountant  
Steve Wilde, Chief, Investigations  
Todd Adams, Chief, Hydrology and Computer Applications  
Eric Klotz, Chief, Water Education/Conservation and Use  
Ben Everitt, Geologist  
Gina Hirst, Engineer  
Tom Cox, Engineer  
Val Anderson, Engineer  
Geralee Murdock, Executive Secretary

### OTHERS PRESENT:

Doug Nielsen, Sunrise Engineering  
  
Brooks Pace, President, Dammeron Valley Water Works  
  
Bruce VanderWerff, Mayor, Town of Springdale  
Rick Wixom, Town Manager, Town of Springdale  
Brent Gardner, Alpha Engineering

OTHERS PRESENT CONT'D:

Douglas Lemon, Director, South Willard Water Company  
Robert Williams, Project Advisor, South Willard Water Company  
Brian Deeter, J U B Engineers

Ivan Ray, Manager, Davis & Weber Counties Canal Co.  
Pete Page, Board member, Davis & Weber Counties Canal Co.  
Grant S. Cooper, Board member, Davis & Weber Counties Canal Co.  
Jerry Stevenson, Director, Davis & Weber Counties Canal Co.  
Joe Dawson, Board member, Davis & Weber Counties Canal Co.  
Lee Cammack, Project Manager, Davis & Weber Counties Canal Co.  
Scott Paxman, Asst. General Manager, Weber Basin Water Conservancy District

Norris Brown, President, Kanab Irrigation Company  
Tristan Demille, Jones & DeMille Engineering

David Gardner, Development Manager, Draper Irrigation Co.  
Daniel A. Jensen, Attorney, Parr Waddoups Brown Gee & Loveless

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
December 12, 2003

Chair Paul Riley welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Warren Peterson made a motion to approve the minutes of the October 31, 2003 meetings with a suggested change in the briefing meeting. Bill Marcovecchio seconded the motion and it was agreed upon unanimously by the Board.

CHAIR'S REPORT

Chair Riley informed the Board of the death of John Holmgren, a long-time legislator and former chairman of the Board of Water Resources.

FEASIBILITY REPORTS

#E115 Dammeron Valley Water Works (The Dammeron Corporation)

Chair Riley welcomed Brooks Pace. Gina Hirst reported the Dammeron Valley Water Works was formed to supply culinary water for indoor and outdoor use; they currently serve about 250 residential and one commercial connection. Water is supplied by two wells producing 550 gpm and 250 gpm. The smaller well is used as a backup in winter and to help meet peak demands in summer. This past summer, due to lowered groundwater, the sponsor lowered the pump bowls in the main well 20 feet in order to continue water service; this is as low as they can go. They have two wells that are not used because the 31 year-old steel pipeline between them and the distribution system is significantly deteriorated. They have two 250,000 gallon concrete storage tanks which are adequate for their current needs, but will not meet future demands.

The sponsor is requesting financial assistance to increase both its water supply and storage capacity. It is presently drilling a test well northeast of the two active wells which, if successful, will be developed into a production well if the Board authorizes the project. If unsuccessful, the sponsor will activate one of the distant wells and replace the deteriorated steel transmission pipeline with about two miles of 18-inch PVC. Storage capacity will be increased through construction of a 250,000 gallon concrete tank. Technical assistance is being provided by Rosenberg Associates in St. George.

The project is estimated to cost \$388,000. If the well is unsuccessful any change from the cost estimate will be addressed when funds are committed to the project. The Board has committed funds to the company in 1993 to help upgrade the culinary system, that assistance will be paid off in 2011.

Discussion occurred between Mr. Pace and the Board and staff relative to the project meeting the Board's guidelines. Director Anderson informed the Board the water rights were owned by the Board and there would be no other place for the sponsor to go to obtain funds. Chair Riley read from the guidelines the following: "The Board reserves the right to consider each project on its own merits and may consider it and authorize a project that does not meet all the requirements of the guidelines."

Harold Shirley said he felt comfortable with the project after having been there. He made the motion to authorize the Dammeron Valley Water Works project in the amount of \$310,000 (80%) at 0% interest to be repaid in ten years with escalating repayments starting at \$19,000. Brad Hancock seconded the motion and the Board agreed; Warren Peterson abstained.

### #E118 Town of Springdale

Chair Riley introduced Bruce VanderWerff, mayor; Rick Wixom, city manager; and Brent Gardner, engineer. Tom Cox reported Springdale, located near the southern entrance to Zion National Park, provides culinary water to 203 residential and 87 non-residential connections. Pressurized irrigation water is provided to most residences as well as several agricultural users through a separate system installed and owned by Springdale Consolidated Irrigation Company. The town operates and maintains the irrigation system, with an agreement in place to take over its ownership when the irrigation company makes final payment to the Board in 2014.

Water for both systems is diverted from the Virgin River and pumped through a common pipeline to a settling pond where it flows to the culinary water treatment plant or into the irrigation system. Due to the relatively small size of the pond, water is not detained long enough during heavy use periods to allow river sediments to adequately settle out, decreasing water quality and overloading the treatment plant. Conservation efforts prohibiting outside watering from 11 a.m. to 7 p.m. have compounded the problem because the pond capacity is inadequate to store much irrigation water for later use.

The town is requesting financial assistance to improve both the culinary and irrigation water systems by enlarging the pond to three million gallons, installing a pipeline from the pond to the treatment plant, connecting pipeline from the Big Springs Well to the irrigation system, co-mingling Hummingbird well water with higher quality river water for culinary use after treatment, rehabilitating pump stations at the two well sites and installing telemetry on both the culinary and irrigation systems. Technical assistance is being provided by Alpha Engineering in St. George. The project is estimated to cost \$945,000.

The Board's affordability guidelines suggest Springdale residents could pay around \$27.65 monthly for all water. An average monthly culinary water bill last year was \$24.21. The assessment for pressurized irrigation was recently raised to \$60 annually. This amounts to about \$29.21 per month (more than the Board's affordability guideline before the proposed loan repayment is taken into account).

Mayor VanderWerff said it is hard for them to prepare and respond to 2.5 million visitors during the summer when the drought is an issue as well. This past summer because of the drought, the river mud took 48 hours and sometimes longer to settle out of the water. He said Springdale needs more storage so the sediment can settle. The water is not good enough for drinking water but it is great for irrigating.

Harold Shirley made the motion to authorize the Town of Springdale project in the amount of \$850,000 (90%) to be repaid in 18 years at 1% interest with escalated repayments. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#### #E119 South Willard Water Co.

Chair Riley introduced Douglas Lemon, director; Brian Deeter, engineer; and Robert Williams, project advisor. Gina Hirst reported the company currently supplies culinary water for indoor and outdoor use to 171 connections. Water is supplied by Maple Grove Spring and a 12-inch well. The company has 40,000, 100,000, and 300,000 gallon storage tanks.

Connections have grown at an average annual rate of 8.4% the past eight years, and that rate is predicted to continue over the next ten. Plans have been approved for 40 new homes, and the company would like to keep two average days' storage for emergency purposes. The company is requesting financial assistance to construct a 700,000 gallon concrete storage tank. Technical assistance is being provided by J-U-B Engineers in Logan. The project is estimated to cost \$498,000.

Ms. Hirst said the company does not wish to increase payments and after working with its engineer feels they can reduce the cost of the project to \$440,000, and is therefore requesting the Board's share be \$300,000. The company has received assistance from the Board twice in the past in 1974 and in 1979; both projects have been paid off.

Mr. Williams said they were able to reduce the cost of the project by eliminating a \$25,000 acquisition fee for the property by going through the property owner, and also eliminating \$24,000 for an onsite construction engineer. Mr. Deeter said there will be an inspector on the project, however he will not be there 24 hours a day. Director Anderson said staff expects the project to be inspected by a design engineer and the project must be built according to plans and specifications. Mr. Deeter said someone would be there every day.

Brad Hancock made the motion to authorize the South Willard Water Company project in the amount of \$300,000 (75%) to be repaid in approximately 20 years at 0% interest with an annual payment of \$15,000. Warren Peterson seconded the motion and the Board agreed unanimously.

## COMMITTAL OF FUNDS

### #E123 Davis & Weber Counties Canal Co.

Chair Riley introduced Ivan Ray, Manager; Jerry Stevenson, director; Pete Page, Grant Cooper, Joe Dawson, board members; Lee Cammack, project manager; and Scott Paxman, Weber Basin Water Conservancy District. Tom Cox reported in September 2000, the Board authorized the company's \$25.5 million long-term project consisting of replacing, in phases over a number of years, nearly 6 ½ miles of deteriorated canal liner with sections of reinforced concrete liner, large diameter pipe, or concrete box culvert. The headworks at the diversion on the Weber River will be replaced and two wasteways improved to allow the canal to be drained in case of emergency. Telemetry will be installed to automate canal operations.

Phase I and Phase II have been completed. After receiving word that Board funding should be available this coming spring, the company proceeded with Phase III which includes 4,800 feet of 9x8' concrete box culvert, 2,000 feet of reinforced concrete canal liner, and slope stabilization work. Design has been completed, construction is underway in order to complete the project by this coming April. Phase III is estimated to cost \$3.215 million.

Mr. Ray said they've appreciated working with the Board the past number of years. He said construction is underway and the company feels they will have a better system to provide water to shareholders within Davis and Weber Counties. He said they would appreciate consideration regarding committal of funds. Grant Cooper said they are moving ahead based on mandates from the State Engineer's office in regard to safety and management and operation of the canal system. The improvements are needed.

After considerable discussion, Bill Marcovecchio made the motion to commit funds to the Davis & Weber Counties Canal Co. in the amount of \$2.735 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately \$150,600. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

## SPECIAL ITEMS

### #D589 Downs Ditch Water Co.

The company requested assistance from the Board to make improvements to its irrigation system. The company built the project this past summer using its own resources, therefore staff recommends the application be withdrawn.

### #E040 Mountain Regional Water Special Service District

The Board authorized \$1.675 million to help construct a microfiltration water treatment plant. The district's current plans are to issue one series of bonds on the open market for \$32.45 million to fund various culinary water system improvements. Funding for the proposed

treatment plant is included, and the district requests its application be deauthorized and withdrawn from further consideration by the Board.

Harold Shirley made the motion to withdraw the Downs Ditch Water Company project and to deauthorize and withdraw the Mountain Regional Water Special Service District project from further consideration by the Board. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#### #D968 Kanab Irrigation Co. (Reauthorization)

Chair Riley introduced Norris Brown, president; and Tristan DeMille, consulting engineer. Val Anderson reported the project was originally authorized 3 ½ years ago consisting of perforated pipe under Kanab Creek to collect lost seepage water, a pump station, and transmission pipeline to tie into the pressurized irrigation system. That project is now not planned to be built due to poor water quality and quantity, high pumping costs, and environmental concerns.

The company is requesting financial assistance to equip a new well located ½ mile downstream of the diversion on Kanab Creek add cleaning access manholes and clear the pipeline using a “Poly Pig”, and install about 5,700 feet of 10” and 30” transmission pipeline. The project is estimated to cost \$500,000. Jones & DeMille Engineering will provide design and construction engineering services.

Mr. Brown thanked the Board for consideration of the project. He said if they can get this well it will provide water in the summer which is needed. Mr. DeMille said Mike Noel, executive director of the Kane County Water Conservancy District wanted to be at the meeting, and asked him to thank the Board and staff for their help in exploratory drilling for another source of water and also consideration of the project. Director Anderson asked if the water right had been approved for the well. Mr. DeMille said it had been approved on the local level and it is currently in the state office. He said it was just a change in diversion.

Harold Shirley made the motion to authorize the Kanab Irrigation Co. project in the amount of \$377,000 (75%) to be returned at 0% interest over approximately 23 years with annual payments of \$16,400. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

#### #N226 New Escalante Irrigation Co.

Steve Wilde reported the Board provided \$2 million (100%) to the company for construction of a pressurized irrigation system. Originally the financial assistance was to be returned over a 35-year period at 3% interest with annual payments of approximately \$101,000. Since then the company’s agreement with the Board has been amended a number of times. The payment due March 1, 2004 is \$85,000 and increases \$2,000 each year; the final payment is scheduled to be made in 2021.



Due to the drought in the Escalante area and conditions outlined in a letter to Director Anderson the company is requesting its \$23,448 interest portion of the \$85,000 March 1 payment be forgiven. Staff recommends the Board consider the request.

Harold Shirley made the motion the New Escalante Irrigation Co. contract be amended and the \$23,448 interest portion of its March 1, 2004 payment be forgiven. Warren Peterson seconded the motion and the Board agreed unanimously.

### Draper Irrigation Company

Chair Riley introduced Mr. David Gardner and Mr. Daniel Jensen. Dennis Strong said Draper Irrigation Company is requesting permission from the Board to make a third exchange of water rights, the title to which is presently held by the Board for the company's water project.

Draper has the opportunity to trade some of its water in Utah Lake for Jordan River water. Draper is requesting the Board release 1,000 acre-feet with no requirement that the Jordan River water right it receives be transferred to the Board. Chair Riley asked if there would need to be a change in the water rights. Mr. Strong said the water rights will be changed; they cannot be changed without the Board's participation in the process.

Mr. Jensen said he had represented Draper for several years on water rights matters. He said with the Board's cooperation they've been able to receive 150% of the water. He said in the past they were getting water from one source and turning it over to the Board. This time Draper Irrigation Company will be able to use the water the Board releases to make other trades with other water users. This gives Draper flexibility for the growth they're trying to accommodate in their area. Mr. Gardner said they appreciated working with the Board.

Bill Marcovecchio made the motion to release the 1000 acre-feet of water as requested by the Draper Irrigation Company. Paul McPherson seconded the motion and it was unanimously agreed upon by the Board.

### DIRECTOR'S REPORT

Director Anderson said a draft copy of a bill from the Utah Rivers Council to amend the Water Conservation Act is in the Board folder. The bill is sponsored by Representative Judy Buffmire. The Utah Rivers Council asked staff to respond to the proposed changes. The Governor's Office also asked us to respond. It was suggested to the Council the bill make it a requirement of law instead of a requirement the Board has to look at. Ron Thompson is also planning to submit an amendment to the bill.

Mr. Anderson said an obituary of Gordon Harmston, former Director of the Department of Natural Resources, is in the Board folder. He also said the Water Users Workshop will again

be held in March in St. George, Utah. Board members are to inform Nancy if they are planning to attend.

#### NEXT BOARD MEETING

The next Board meetings will be held Friday, January 30, 2004.

Meeting adjourned at 11:55 a.m.

*Approved*  
MINUTES  
BOARD OF WATER RESOURCES MEETING  
December 12, 2003

Auditorium  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

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Bill Marcovecchio  
Brad Hancock  
George M. Harmond, Jr.  
Paul McPherson  
Warren Peterson  
Ivan Flint – absent

### STAFF MEMBERS PRESENT:

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Daniel A. Jensen, Attorney, Parr Waddoups Brown Gee & Loveless

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
December 12, 2003

Chair Paul Riley welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Warren Peterson made a motion to approve the minutes of the October 31, 2003 meetings with a suggested change in the briefing meeting. Bill Marcovecchio seconded the motion and it was agreed upon unanimously by the Board.

CHAIR'S REPORT

Chair Riley informed the Board of the death of John Holmgren, a long-time legislator and former chairman of the Board of Water Resources.

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#E115 Dammeron Valley Water Works (The Dammeron Corporation)

Chair Riley welcomed Brooks Pace. Gina Hirst reported the Dammeron Valley Water Works was formed to supply culinary water for indoor and outdoor use; they currently serve about 250 residential and one commercial connection. Water is supplied by two wells producing 550 gpm and 250 gpm. The smaller well is used as a backup in winter and to help meet peak demands in summer. This past summer, due to lowered groundwater, the sponsor lowered the pump bowls in the main well 20 feet in order to continue water service; this is as low as they can go. They have two wells that are not used because the 31 year-old steel pipeline between them and the distribution system is significantly deteriorated. They have two 250,000 gallon concrete storage tanks which are adequate for their current needs, but will not meet future demands.

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Chair Riley introduced Bruce VanderWerff, mayor; Rick Wixom, city manager; and Brent Gardner, engineer. Tom Cox reported Springdale, located near the southern entrance to Zion National Park, provides culinary water to 203 residential and 87 non-residential connections. Pressurized irrigation water is provided to most residences as well as several agricultural users through a separate system installed and owned by Springdale Consolidated Irrigation Company. The town operates and maintains the irrigation system, with an agreement in place to take over its ownership when the irrigation company makes final payment to the Board in 2014.

Water for both systems is diverted from the Virgin River and pumped through a common pipeline to a settling pond where it flows to the culinary water treatment plant or into the irrigation system. Due to the relatively small size of the pond, water is not detained long enough during heavy use periods to allow river sediments to adequately settle out, decreasing water quality and overloading the treatment plant. Conservation efforts prohibiting outside watering from 11 a.m. to 7 p.m. have compounded the problem because the pond capacity is inadequate to store much irrigation water for later use.

The town is requesting financial assistance to improve both the culinary and irrigation water systems by enlarging the pond to three million gallons, installing a pipeline from the pond to the treatment plant, connecting pipeline from the Big Springs Well to the irrigation system, co-mingling Hummingbird well water with higher quality river water for culinary use after treatment, rehabilitating pump stations at the two well sites and installing telemetry on both the culinary and irrigation systems. Technical assistance is being provided by Alpha Engineering in St. George. The project is estimated to cost \$945,000.

The Board's affordability guidelines suggest Springdale residents could pay around \$27.65 monthly for all water. An average monthly culinary water bill last year was \$24.21. The assessment for pressurized irrigation was recently raised to \$60 annually. This amounts to about \$29.21 per month (more than the Board's affordability guideline before the proposed loan repayment is taken into account).

Mayor VanderWerff said it is hard for them to prepare and respond to 2.5 million visitors during the summer when the drought is an issue as well. This past summer because of the drought, the river mud took 48 hours and sometimes longer to settle out of the water. He said Springdale needs more storage so the sediment can settle. The water is not good enough for drinking water but it is great for irrigating.

Harold Shirley made the motion to authorize the Town of Springdale project in the amount of \$850,000 (90%) to be repaid in 18 years at 1% interest with escalated repayments. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#### #E119 South Willard Water Co.

Chair Riley introduced Douglas Lemon, director; Brian Deeter, engineer; and Robert Williams, project advisor. Gina Hirst reported the company currently supplies culinary water for indoor and outdoor use to 171 connections. Water is supplied by Maple Grove Spring and a 12-inch well. The company has 40,000, 100,000, and 300,000 gallon storage tanks.

Connections have grown at an average annual rate of 8.4% the past eight years, and that rate is predicted to continue over the next ten. Plans have been approved for 40 new homes, and the company would like to keep two average days' storage for emergency purposes. The company is requesting financial assistance to construct a 700,000 gallon concrete storage tank. Technical assistance is being provided by J-U-B Engineers in Logan. The project is estimated to cost \$498,000.

Ms. Hirst said the company does not wish to increase payments and after working with its engineer feels they can reduce the cost of the project to \$440,000, and is therefore requesting the Board's share be \$300,000. The company has received assistance from the Board twice in the past in 1974 and in 1979; both projects have been paid off.

Mr. Williams said they were able to reduce the cost of the project by eliminating a \$25,000 acquisition fee for the property by going through the property owner, and also eliminating \$24,000 for an onsite construction engineer. Mr. Deeter said there will be an inspector on the project, however he will not be there 24 hours a day. Director Anderson said staff expects the project to be inspected by a design engineer and the project must be built according to plans and specifications. Mr. Deeter said someone would be there every day.

Brad Hancock made the motion to authorize the South Willard Water Company project in the amount of \$300,000 (75%) to be repaid in approximately 20 years at 0% interest with an annual payment of \$15,000. Warren Peterson seconded the motion and the Board agreed unanimously.

## COMMITTAL OF FUNDS

### #E123 Davis & Weber Counties Canal Co.

Chair Riley introduced Ivan Ray, Manager; Jerry Stevenson, director; Pete Page, Grant Cooper, Joe Dawson, board members; Lee Cammack, project manager; and Scott Paxman, Weber Basin Water Conservancy District. Tom Cox reported in September 2000, the Board authorized the company's \$25.5 million long-term project consisting of replacing, in phases over a number of years, nearly 6 ½ miles of deteriorated canal liner with sections of reinforced concrete liner, large diameter pipe, or concrete box culvert. The headworks at the diversion on the Weber River will be replaced and two wasteways improved to allow the canal to be drained in case of emergency. Telemetry will be installed to automate canal operations.

Phase I and Phase II have been completed. After receiving word that Board funding should be available this coming spring, the company proceeded with Phase III which includes 4,800 feet of 9x8' concrete box culvert, 2,000 feet of reinforced concrete canal liner, and slope stabilization work. Design has been completed, construction is underway in order to complete the project by this coming April. Phase III is estimated to cost \$3.215 million.

Mr. Ray said they've appreciated working with the Board the past number of years. He said construction is underway and the company feels they will have a better system to provide water to shareholders within Davis and Weber Counties. He said they would appreciate consideration regarding committal of funds. Grant Cooper said they are moving ahead based on mandates from the State Engineer's office in regard to safety and management and operation of the canal system. The improvements are needed.

After considerable discussion, Bill Marcovecchio made the motion to commit funds to the Davis & Weber Counties Canal Co. in the amount of \$2.735 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately \$150,600. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

## SPECIAL ITEMS

### #D589 Downs Ditch Water Co.

The company requested assistance from the Board to make improvements to its irrigation system. The company built the project this past summer using its own resources, therefore staff recommends the application be withdrawn.

### #E040 Mountain Regional Water Special Service District

The Board authorized \$1.675 million to help construct a microfiltration water treatment plant. The district's current plans are to issue one series of bonds on the open market for \$32.45 million to fund various culinary water system improvements. Funding for the proposed

treatment plant is included, and the district requests its application be deauthorized and withdrawn from further consideration by the Board.

Harold Shirley made the motion to withdraw the Downs Ditch Water Company project and to deauthorize and withdraw the Mountain Regional Water Special Service District project from further consideration by the Board. George Harmond, Jr. seconded the motion and the Board agreed unanimously.

#### #D968 Kanab Irrigation Co. (Reauthorization)

Chair Riley introduced Norris Brown, president; and Tristan DeMille, consulting engineer. Val Anderson reported the project was originally authorized 3 ½ years ago consisting of perforated pipe under Kanab Creek to collect lost seepage water, a pump station, and transmission pipeline to tie into the pressurized irrigation system. That project is now not planned to be built due to poor water quality and quantity, high pumping costs, and environmental concerns.

The company is requesting financial assistance to equip a new well located ½ mile downstream of the diversion on Kanab Creek add cleaning access manholes and clear the pipeline using a “Poly Pig”, and install about 5,700 feet of 10” and 30” transmission pipeline. The project is estimated to cost \$500,000. Jones & DeMille Engineering will provide design and construction engineering services.

Mr. Brown thanked the Board for consideration of the project. He said if they can get this well it will provide water in the summer which is needed. Mr. DeMille said Mike Noel, executive director of the Kane County Water Conservancy District wanted to be at the meeting, and asked him to thank the Board and staff for their help in exploratory drilling for another source of water and also consideration of the project. Director Anderson asked if the water right had been approved for the well. Mr. DeMille said it had been approved on the local level and it is currently in the state office. He said it was just a change in diversion.

Harold Shirley made the motion to authorize the Kanab Irrigation Co. project in the amount of \$377,000 (75%) to be returned at 0% interest over approximately 23 years with annual payments of \$16,400. Bill Marcovecchio seconded the motion and the Board agreed unanimously.

#### #N226 New Escalante Irrigation Co.

Steve Wilde reported the Board provided \$2 million (100%) to the company for construction of a pressurized irrigation system. Originally the financial assistance was to be returned over a 35-year period at 3% interest with annual payments of approximately \$101,000. Since then the company’s agreement with the Board has been amended a number of times. The payment due March 1, 2004 is \$85,000 and increases \$2,000 each year; the final payment is scheduled to be made in 2021.

Due to the drought in the Escalante area and conditions outlined in a letter to Director Anderson the company is requesting its \$23,448 interest portion of the \$85,000 March 1 payment be forgiven. Staff recommends the Board consider the request.

Harold Shirley made the motion the New Escalante Irrigation Co. contract be amended and the \$23,448 interest portion of its March 1, 2004 payment be forgiven. Warren Peterson seconded the motion and the Board agreed unanimously.

### Draper Irrigation Company

Chair Riley introduced Mr. David Gardner and Mr. Daniel Jensen. Dennis Strong said Draper Irrigation Company is requesting permission from the Board to make a third exchange of water rights, the title to which is presently held by the Board for the company's water project.

Draper has the opportunity to trade some of its water in Utah Lake for Jordan River water. Draper is requesting the Board release 1,000 acre-feet with no requirement that the Jordan River water right it receives be transferred to the Board. Chair Riley asked if there would need to be a change in the water rights. Mr. Strong said the water rights will be changed; they cannot be changed without the Board's participation in the process.

Mr. Jensen said he had represented Draper for several years on water rights matters. He said with the Board's cooperation they've been able to receive 150% of the water. He said in the past they were getting water from one source and turning it over to the Board. This time Draper Irrigation Company will be able to use the water the Board releases to make other trades with other water users. This gives Draper flexibility for the growth they're trying to accommodate in their area. Mr. Gardner said they appreciated working with the Board.

Bill Marcovecchio made the motion to release the 1000 acre-feet of water as requested by the Draper Irrigation Company. Paul McPherson seconded the motion and it was unanimously agreed upon by the Board.

### DIRECTOR'S REPORT

Director Anderson said a draft copy of a bill from the Utah Rivers Council to amend the Water Conservation Act is in the Board folder. The bill is sponsored by Representative Judy Buffmire. The Utah Rivers Council asked staff to respond to the proposed changes. The Governor's Office also asked us to respond. It was suggested to the Council the bill make it a requirement of law instead of a requirement the Board has to look at. Ron Thompson is also planning to submit an amendment to the bill.

Mr. Anderson said an obituary of Gordon Harmston, former Director of the Department of Natural Resources, is in the Board folder. He also said the Water Users Workshop will again

be held in March in St. George, Utah. Board members are to inform Nancy if they are planning to attend.

#### NEXT BOARD MEETING

The next Board meetings will be held Friday, January 30, 2004.

Meeting adjourned at 11:55 a.m.

